

**GOVERNMENT OF INDIA  
CHEMICALS AND FERTILIZERS  
LOK SABHA**

UNSTARRED QUESTION NO:2362  
ANSWERED ON:11.03.2010  
ACQUISITION OF UREA FERTILIZER UNITS BY KRIBHCO  
Saha Shri Anup Kumar

**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

- (a) whether Krishak Bharti Cooperative Limited (KRIBHCO) had acquired the urea producing fertilizer units at Shahjahanpur, from a private company, through a Joint Venture;
- (b) if so, the year in which the said company acquired and cost of acquisition.
- (c) the net profit earned after acquisition by the JV company, year-wise;
- (d) the share of the profit accrued to KRIBHCO during these years;
- (e) whether the acquisition price has already been recovered ; and
- (f) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) Yes, Madam. The urea-ammonia plant of M/s. Oswal Chemicals & Fertilizers Limited (OCFL) at Shahjahanpur was acquired by M/s. KRIBHCO Shyam Fertilizer Limited (KSFL), a Joint Venture Company, in which KRIBHCO holds majority share.

(b) KSFL took over Shahjahanpur Plant of OCFL w.e.f. 18th January 2006. The fixed assets of the said plant were acquired at a consideration of Rs. 1900 Crore which was financed with a debt equity ratio of 2:1.

(c) The net profit earned (after payment of tax) after acquisition by the JV company year-wise is given as under:-

(Rs. Crore)

Description	2005-06	2006-07	2007-08	2008-09
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Net Profit	3.41	3.76	0.57	(-39.87)
(after payment of Tax)				

(d) to (f) It was envisaged at the time of acquisition that profits to KRIBHCO/dividends will accrue only after the first few years of operations. Accordingly, neither any profit has accrued to KRIBHCO during these years nor recovery of acquisition price has taken place.